

The Autoligarch: Birth of the American Mafia State?

[Published on 18. November 2016](#) by [Rui Tavares](#) [Edit](#)

One of the most perceptive interpreters of current political forms is not very well known outside his native country. His name is Bálint Magyar, but because he is Hungarian, his name should more correctly be ordered the other way round: Magyar Bálint. Professor Magyar of the Central European University is a former Education Minister of Hungary. The only time I met him he struck me as a very polite, courteous and intelligent man. He told me that he had been in my country, Portugal, in the seventies and written one of his graduation essays on how one can build a dictatorship, as Portugal's Salazar did, with a seemingly 'correct' pseudo-democratic Constitution. I suppose this knowledge came in handy when he started witnessing the democratic backsliding in his own country.

A few years ago, Professor Magyar wrote a book with the title: The Mafia State. It was first published in Hungarian but there is now an English version [here](#). I won't try to summarise the book, particularly the exhaustive description of political dynamics in Hungary. For our purposes, it will suffice to say that while other observers tried to define Orbanism in Hungary as a purely authoritarian-nationalistic phenomenon, Professor Magyar focused on its similarities with other post-communist regimes and gave particular attention to the 'wealth-accumulation' aspects thereof. Or maybe we should just call it 'money grabbing'. He called this regime the 'Mafia State'.

At the core of his description of the Mafia State are the twin figures of the Autocrat and the Oligarch. The autocrat¹ and the oligarch live in symbiosis. They need one another for practical and symbolic purposes. The autocrat has huge political power, but tries to not appear too rich — in any case, his fortune is both huge and hidden. The oligarch does not have apparent political power, but he is a man (almost always a man) of immense wealth. The autocrat awards monopolies and public tenders to the oligarch. The oligarch finances the autocrat's party and sometimes helps him stash his wealth somewhere safe.

The autocrat and the oligarch should develop a balanced and stable relation and go on plundering the rest of the people, but as they are both immensely egocentric and selfish, their relation sometimes breaks down. In Hungary the pair was composed of Viktor Orbán, the Prime Minister who hails from the Fidesz party, and Lajos Simicska, the magnate — just mentioning the name of the second, as he was supposed to not be in the centre of political power, was enough to make Fidesz politicians uncomfortable — but they have since fallen out and it seems Mr. Simicska is now supporting the admittedly fascist party Jobbik. Putin has a plethora of oligarchs, as befits an emperor, and not just a single magnate. And now, since last week, the post-communist model was finally exported with all its glitz and kitsch to the West, producing an even more fantastic creature: the Autoligarch.

I am referring, of course, to the president-elect of the USA, Donald Trump. With Mr Trump, there is no need for pretence: he is the autocrat as well as his own oligarch. Mr Trump has raised the bar on Mafia States with a strategy that is even more brazen than usual. Instead of hiding his fortune behind his love of the fatherland, Donald Trump has frequently said that if he lost the election he would consider his venture into politics 'a waste of time and money'.

¹ In fact, Magyar uses the word 'poligarch' here; I am reverting to the more widely known 'autocrat' here as it is less easy to mistake for 'oligarch'.

The logical conclusion is that his time in the presidency won't represent a waste of neither. A minority of Americans has legitimately propelled to the White House a man who has told them to their faces that not paying taxes, stiffing contractors and renegeing on debt are all smart things when he himself is the beneficiary thereof. Whatever they can say in the future, they won't be able to say that they were cheated.

Of course, there are some innovations in the new American model of the Mafia State. President-elect Trump has decided to earn a modest one-dollar salary. The literal bang-for-the-buck this has given him in the press has allowed him to disguise the fact that he is trying to obtain security clearances for his sons, daughter and son-in-law. This is especially interesting since Mr Trump has promised to distance himself from his businesses and put his eldest sons and daughter in charge of his company. As if this was not enough of a conflict of interest in itself, he also brings his sons and daughter closer to the presidency.

During the campaign, the fact that Mr Trump has promised to put his investments in a 'blind trust' lead by his sons and daughter generated some commentary. As the former chief ethics lawyers of both the Obama and the Bush jr. administrations wrote, Trump's 'Blind trust' is 'neither blind nor trustworthy'. Of course, it's not supposed to be a 'blind trust' when the blind trust is led by the people closest to you. In the past, since the presidency of Lyndon Johnson, the blind trust was supposed to keep the man in the White House in the dark about where his own money was and thus avoid any possibility of a decision that might knowingly benefit his business interests. With President Trump, it is just the opposite: it will be the blind trust actually running the presidency.

Taking all this into account one easily suspects that not only the USA have imported the post-communism as that it will actually be improved upon, if one can use the word, in the New World.

Of course, the Mafia State thesis does not necessarily exclude that these regimes can also be nationalistic, illiberal and authoritarian. On the contrary, one thing depends on the other; the Mafia State will be whatever it has to be in order to go on doing what it is best at, which is earning money for itself. In evolving from one justification to another, the Mafia State will reveal a great deal of political pragmatism that will often amaze its observers. Additionally, the Mafia State will portray itself as being engaged in the fight against corruption and wanting to 'drain the swamp' of the political system. Of course, if the Mafia State thesis is correct, the corruption of the new regime will be exponentially greater than that of the current one.

Europe will have to deal with the Mafia State hypothesis at three levels: the Member State level, the EU level and the global level. As one of the main purveyors of public investment and structural funds to the Member States, the EU may find itself financing Mafia States. To be frank, in all probability the EU is already financing Mafia States: stories abound of EU money being diverted, via carefully crafted public tenders more or less always won by the oligarchs, to the coffers of the political party of the autocrat. At the EU level, the well-known problem of the 'revolving doors' between the European Commission and the big investment banks and transnational corporations was recently brought to a new level with a curious but scandalous episode in which Commissioner Oettinger was transported in the private jet of a well-known German front to Mr Putin (and Russia's honorary consul in Budapest) for an event in Hungary with Mr Orbán. Commissioner Oettinger, apparently, didn't even need to wait for his door to revolve — it slid down towards him on the tarmac of Brussels airport on his way to Budapest.



Of the global level, the current political situation in the US will add to the corrosive influence that Putin's Russia already has on European politics. Either the EU gives very concrete steps in order to put its house in order (not giving Mr. Oettinger the EU budget portfolio would be a good start) or it will also be swept by the whirlwind that proposes to get rid of an already corroded regime by replacing it with a massively corrupt one.